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DD/S

56-3650

16 October 1956

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MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Conditions in Payroll Branch, Fiscal Division, Office of the Comptroller

REFERENCE : Memorandum for DD/S from Inspector General dated 2 October 1956

1. The referenced memorandum from the Inspector General states that an anonymous letter was received by him alleging a serious deteriorating condition in the Payroll Branch, Fiscal Division. However, prior to receipt of the referenced memorandum, the Inspector General had called both this Office and the DD/S and stated that a complaining letter had been received, the source of which was of such nature as to make it imperative that an investigation be conducted. We therefore conclude that although the letter is labeled anonymous, the source is actually known by the Inspector General and as indicated by him over the telephone such source is one to be taken seriously.

2. We feel that the letter exaggerates the situation in the Payroll Branch and whether it means to do so or not, the language is considerably misleading. The letter apparently alleges that personnel are being driven to the point of exhaustion. The Acting Comptroller, and Chief, Fiscal Division, have had conferences with each individual in the Payroll Branch and did not find anyone with the possible exception of a [redacted] who felt that overtime had overly taxed them. In the case of Mrs. [redacted] she herself admits a good deal of her difficulty has been created by personal problems at home and outside activities combined with overtime at the office. The letter states that unsound changes were made in basic procedures. We do not agree that the changes made were unsound. On the other hand, that portion of the procedure (functional in lieu of block) which has not been successful and which we have discontinued has in theory some very good principles, and we are not entirely sure that it received a fair trial because of circumstances and the attitude of some individuals attempting to make it operate. Industry and private enterprise have utilized the functional approach to many production problems with great success and resulting economy. Admittedly, however, most functional set-ups regardless of beneficial economic results are more boring to the individual worker because of the production line approach. This, coupled with some resistance on the part of the personnel to change, was undoubtedly part of the reason for failure of the functional approach to payroll activity. It may also be that the block system is actually the better system. In any event regardless of the reasons, we believed it advisable to change back to the block system and we did so. The letter states that morale was terrible and that most personnel are seeking to escape through resignation and reassignment. We agree that morale is not what it should be, but those persons resigning or seeking reassignment are doing so principally for improvement of their career or because

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better positions are offered them, or because payroll work generally does not appeal to them. The letter further indicated that "slave conditions" exist in the Payroll Branch, which statement in our opinion has no foundation.

3. We feel that the situation in the Payroll Branch is and has been for some time difficult to cope with due principally, however, to inherent problems and pressures of payroll operations, and a serious recruitment problem. Also, we agree that a procedural change to a functional rather than a block system did not work satisfactorily and did cause unrest and adverse effect on the morale of the personnel. However, with regard to this problem, not one individual complained to the Chief, Fiscal Division, or the Comptroller; had anyone done so, it is probable that the "functional procedure" would have been discontinued sooner than it was. We agree that recruiting difficulties are acute and it is very desirable that the T/O of the Payroll Branch be completely filled. However, the investigation report states that there are only eight people who are reasonably content in the present Payroll Branch. In our discussions with each individual, we did not obtain this impression. Therefore, comments made to the investigator by some individuals must have been different from comments to us when we interviewed each of them. This is not to say that most persons in the Payroll Branch would be happy to remain there forever or even indefinitely, but we found most of them satisfied to remain for a reasonable period of time. Also, with respect to the recruiting problem, the investigator states that many of the clerk typists were drawn to the Agency by the lure of intelligence and the prospect of overseas duty, and that one resignation by a young women from California occurred during the course of the investigation for precisely this reason. With regard to this individual the Office of the Comptroller interviewed her prior to employment and made clear to her the nature of payroll work as we do with respect to all prospective employees for that branch, and this particular person indicated that she did not wish to have a position anywhere else in the Fiscal Division but the Payroll Branch. Also, when she resigned, she indicated that she was taking a position with Melpar outside the Agency because their offer was more attractive financially, and because it was similar to the type of work she had been doing in California and in which she was more interested. We know for certainty that this individual was not mislead by the Office of the Comptroller when she was hired and placed in the Payroll Branch, and the reason she gave us for resigning certainly seemed to conflict with what the investigator either obtained from her or elsewhere. The investigator stated that placing her in Payroll Branch though perhaps understandable because of the personnel shortage, was nevertheless an extreme case of misassignment as she resigned from the Agency within 90 days seriously disaffected. Since this person specifically asked to be placed in the Payroll Branch in spite of the fact that we offered her other opportunities does not seem to support contention that she was misassigned due primarily to personnel shortage.

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4. With respect to the recommendations contained in the investigation report, the following are our comments:

a. We do not feel that the DD/S should admonish the Comptroller for supervisory failure within his organization. The investigation report states that the "block system" was replaced by the "functional system" apparently without the knowledge of higher echelon supervisory personnel. It appears that the investigator arrived at this conclusion as a result of the discussions during the investigations; but as a matter of fact, the Comptroller did know that the change was being made and was in agreement with it on an experimental basis. Some of the reasons for it not being successful are as outlined by the investigator, but we also believe that circumstances and some employee attitudes had something to do with the failure. Regardless, the Office of the Comptroller recognized the necessity for changing back to the "block system" and while it might now in retrospect appear that the change should have been made sooner, there were no complaints received by the Comptroller at any time by any individual in the Payroll Branch. Also, although we agree that there was an adverse effect on the morale of some of the employees because of the procedural change, we do not agree that the situation was "chaotic" as described by the investigation report.

b. The Office of the Comptroller agrees that it is appropriate for the Comptroller and the Director of Personnel to insure in every way possible that the Payroll Branch be given a legitimate opportunity to recruit personnel who by temperament and background are most apt to adjust to payroll work. When interviewing prospective candidates for the Payroll Branch we at all times attempt not to assign anyone to the branch who expresses unwillingness to perform such work or dissatisfaction with the proposed assignment. It may be that the Director of Personnel can further improve recruitment with respect to the Payroll Branch and we will further discuss this with the Director of Personnel. We have arranged for filling each of the present vacancies with personnel from the Office of Personnel pool. This is not, however, a permanent solution to the problem, since some of these replacements may actually desire to work elsewhere and probably will at a later date express a desire for change.

c. The Office of the Comptroller will certainly welcome any tightening of administrative procedures and enforcement of applicable regulatory issuances. As indicated in the survey report and previously by the survey of the Management Staff, the timely and accurate submission to the Payroll Branch of T&A's has been a serious problem and while we have improved this situation, it still is not considered satisfactory. In reviewing this problem in the past, we have considered refusing to process T&A's for the current payroll period to which they apply when they are late or

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are otherwise not in proper order, but we have never adopted such procedure due to the fact that in the final analysis it is usually the employees who would be penalized rather than the person who is responsible for the submission of the T&A. This problem requires further discussion between your Office and the Office of the Comptroller.

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Acting Comptroller

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